

PUGET SOUND LEGISLATIVE UPDATE

April 12, 2013 | Day 89 of the 105-day legislative session

This Legislative Update highlights the issues impacting our region's work to protect and restore the health of Puget Sound. Previous editions are available online at www.psp.wa.gov.

WEEKLY REVIEW

All the cards are on the table. Last week the Senate adopted their Operating Budget proposal by a 30-to-18 vote. This week the House adopted their proposal by a 54-to-43 vote. On Monday, both chambers will start negotiating the final budget for Gov. Inslee to sign into law before the last day of the 2013 regular legislative session—April 28.

OPERATING BUDGET

The House and Senate proposed investments of nearly \$1 billion in additional funding to comply with the recent Supreme Court ruling regarding public education. However, there are fundamental philosophical differences that will be challenging for budget negotiators to overcome. The House proposes to balance the budget through a series of measures to close tax loopholes, while the Senate proposes to transfer and reduce funding through a series of undefined “efficiency cuts” to state programs. These cuts could significantly impact the federally approved plan to restore the health of Puget Sound—the Action Agenda.

CAPITAL BUDGET & PSAR

This week the Senate and House introduced their Capital Budget proposals and moved them out of committee [Senate Bill 5035](#) & [House Bill 1089](#). It is unlikely that either bill will be voted upon the floor of the until after there is an agreement by both chambers on the Operating Budget.

The biggest concern is the difference in funding level and approach for our region's number one Capital Budget priority—the **Puget Sound Acquisition & Restoration fund** (PSAR). We strongly support Gov. Inslee's proposal to fully fund PSAR at \$80 million. The House proposal includes \$70 million and the Senate includes \$60 million for PSAR.

It is important to know that the Senate proposes to fund PSAR using a combination of bonds, ASARCO, State toxics, and the Environmental Legacy Stewardship Account—a new account proposed in [Senate Bill 5296](#), which is still evolving. This is concerning because PSAR does not appear to be an appropriate use of funding from the ASARCO settlement and toxics accounts.

2013 SESSION AT A GLANCE

Length: 105 days. If necessary, the Governor can call for a 30-day special session. Legislators can call themselves into special session with a two-thirds vote.

Next Cutoff: April 17, 2013 - Last day to consider opposite house bills, except for matters necessary to implement budgets.

Information:

- For up-to-date legislative information, visit: www.leg.wa.gov
- To watch or listen to a legislative hearing, visit: www.tvw.org
- For both current and previous copies of the Legislative Update, visit: www.psp.wa.gov

Communication and Coordination:

If you are planning to testify on a bill, meet with legislators, or would like assistance with state legislative issues regarding Puget Sound priorities—please contact:

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Furthermore, if the Senate funding level is adopted, five of the most regionally significant prioritized projects would NOT be funded:

- **Lyre River Estuary Project** to acquire 253 acres of estuary and uplands to protect bluff-backed beaches and nearshore habitat. (24th Legislative District, Clallam County—Sen. Hargrove, Rep. Van De Wege, Rep. Tharinger) Project sponsor: North Olympic Land Trust
- **McKenna Reach Ranch Protection Project** to acquire and restore 250 acres and 1 mile of habitat on the Nisqually River. (2nd Legislative District, Thurston County—Sen. Becker, Rep. Wilcox, Rep. Alexander) Project sponsor: Nisqually Land Trust
- **Kilisut Harbor Restoration Project** to restore tidal influence to salt marsh between Indian and Marrowstone islands, improving 1,750 feet of tidal channel and 100 acres. (24th Legislative District, Hood Canal, Jefferson County—Sen. Hargrove, Rep. Van De Wege, Rep. Tharinger) Project sponsor: North Olympic Salmon Coalition
- **Little Fishtrap Estuary Acquisition** to acquire 73 acres of pocket estuary, nearshore and riparian habitat along the shoreline of Dana Passage. (22nd Legislative District, Thurston County—Sen. Fraser, Rep. Hunt, Rep. Reykdal) Project sponsor: Capital Land Trust
- **Upper Carlson Floodplain Reconnection Project** to restore natural river processes by removing 1,600 feet of levee and restoring 50 acres of floodplain. (5th Legislative District, King County—Sen. Mullet, Rep. Rodne, Rep. Magendanz) Project sponsor: King County

Fully funding PSAR will create jobs, advance local priorities that are regionally coordinated, and get the results Puget Sound needs and taxpayers expect.

One of the most critical problems facing Puget Sound is the loss of habitat. Although **land acquisitions are a politically hot topic**, it is not enough to restore habitat if we continue to degrade it in other places. We can prevent further loss of habitat either by strengthening regulations or using incentives, like purchasing land from willing sellers to protect important lands. Both are important tools. The few acquisitions on the PSAR prioritized list are focused on two key objectives - local project sponsors protecting the highest priority pristine critical habitats in their watershed where regulations are not enough to ensure permanent protection from development, and purchasing properties to make land available for high priority habitat restoration projects that would otherwise be unable to go forward. It is also important to note that no state agencies would acquire land by funding through the PSAR process.

Additional information about PSAR is available at:

Fact sheet: http://www.psp.wa.gov/downloads/PSAR/PSAR_13-15_factsheet.pdf

Prioritized project list: <http://www.psp.wa.gov/downloads/PSAR/psar%202013-2015%20spreadsheet.pdf>

PUGET SOUND PARTNERSHIP FUNDING

The Partnership’s important role for protecting public tax dollars spent on Puget Sound is supported in the Senate and House budgets—including funding for developing levee vegetation demonstration pilot projects in King and Whatcom counties, advancing Puget Sound steelhead recovery efforts, and supporting ongoing adaptive management efforts (*details below*).

The biggest impact to the Partnership is the reductions in the Senate budget(-9%), which would cut K-12 Puget Sound environmental education curriculums and invasive species strategies. The proposed budgets by the Governor and the House do not include these reductions.

PUGET SOUND BUDGET PRIORITIES

Below is a summary of the top 10 highest-ranked Puget Sound budget priorities established by the Partnership, based on agency decision packages. These priorities are consistent with the scientific analysis and federally approved plan to restore the health of Puget Sound—the Action Agenda.

TRA = Transportation Budget

CA= Capital Budget

OPR= Operating Budget

- 1 **Stormwater Permit Compliance:** To manage urban runoff and reduce environmental impacts due to stormwater discharged from State highways and facilities. A portion of the funding will be invested in the Puget Sound region and would continue the implementation of the Department of Transportation’s stormwater management responsibilities to meet requirements of the National Pollutant Discharge Elimination System (NPDES) municipal permit. (*Department of Transportation—Transportation Budget*) (*Action Agenda C.2.1*)

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
TRA	\$8.74 million	\$5.23 million	\$560,000

- 2 **Puget Sound Acquisition & Restoration Fund (PSAR):** To fund the most important, science-based, locally prioritized projects to restore Puget Sound habitat. All of the funding goes to Puget Sound to remove barriers to fish migration, replant stream banks, remove dikes and levees, as well as create or purchase pristine habitat. Project sponsors invest in the cost of each project—leveraging local and state investments. (*Recreation & Conservation Office — Capital Budget*) (*Action Agenda A.2.1, A.5.4 & E.1.3.2*)

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
CAP	\$80 million	\$60 million	\$70 million

3 **Salmon Recovery Funding Board:** Grants to protect or restore salmon habitat. Projects located in Puget Sound directly support the habitat recovery goals adopted by the Partnership. (*Recreation & Conservation Office — Capital Budget*) (*Action Agenda A.2.1, A.5.3, A.5.4, A.6.1 & A.6.5*)

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
CAP	\$75 million	\$75 million	\$75 million

4 **Puget Sound Estuary & Salmon Restoration Program (ESRP):** Provides the technical assistance necessary to restore and protect Puget Sound beaches, bays and river deltas. The ESRP program helps produce healthy habitat for salmon by ensuring shorelines are intact, functioning naturally, and resilient to climate change. (*Recreation & Conservation Office — Capital Budget*) (*Action Agenda A.2.1 & A.5.4*)

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
CAP	\$10 million	\$10 million	\$10 million

5 **Levee Vegetation and Floodplain Restoration:** Funds two watershed pilot demonstration projects that will bring local, state, federal, and regional parties together to resolve multiple issues related to levees and floodplain management. The urban and rural pilot projects will result in prioritized capital projects to reduce flood risk, protect lives and property, restore floodplain and riparian habitat functions, and create a framework for other communities to replicate throughout our state and region. (*Puget Sound Partnership—Operating Budget*) (*Action Agenda A.5.3.4*)

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
OP	\$635,000	\$635,000	\$635,000

6 **Natural resources conservation program:** \$3 million request

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
OP	Not funded	Not funded	Not funded

7 **Invasive Species Council Funding:** To fund the Washington Invasive Species Council to coordinate response, prevention, and education actions by federal, state, tribal, local, and non-governmental partners on invasive species. (*Recreation and Conservation Office—Operating Budget*) (*Action Agenda B.5.3 & B.5.3.2*)

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
OP	\$86,000	\$86,000	\$86,000

8	Statewide Low-Impact Development (LID) Program: To implement the comprehensive training plan to implement LID techniques for a wide range of audiences to address polluted stormwater and assist with compliance for the updated municipal stormwater permits. <i>(Toxics Control Account-State) (Action Agenda C.2.5.1)</i>		
	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
OP	\$1.981 million	\$1.981 million	\$1.981 million

9	Local Government Planning Support: To provide financial assistance to local governments to update their comprehensive plans under the Growth Management Act. <i>(General Fund-State) (Department of Commerce—Operating Budget) (Action Agenda A.1.2.2)</i>		
	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
OP	\$5.877 million	Not funded	\$5.877 million

10	Water Discharge Fee: To hire additional inspectors, engineers, and other permit-support staff to focus new resources on source-control inspections and monitoring in Seattle’s Duwamish Waterway, where a large-scale toxic cleanup is beginning, and to conduct stormwater inspections in currently underserved permit categories. <i>(Water Quality Permit Account-State) (Department of Ecology—Operating Budget) (Action Agenda C.1.6.1 & C.2.4.1)</i>		
	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
OP	\$1.169 million	\$1.169 million	\$660,000

OTHER PUGET SOUND BUDGET PRIORITIES INCLUDED IN GOV. INSLEE’S BUDGET

	Natural Resources Investments for the Economy and Environment: Resources for conservation districts to provide technical assistance and projects to address agriculture impacts on shellfish growing areas. <i>(State Conservation Commission) (Action Agenda A.3.1.1 & C.3.2.1)</i>		
	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
CAP	\$5 million	Not funded	\$10 million

	Centennial Clean Water Program: To provide grants for local governments to construct wastewater treatment facilities, eliminate failing on-site sewage systems and stormwater control. <i>(Department of Ecology — Capital Budget) (Action Agenda C.3.1, C.5.3 & C.6.3)</i>		
	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
CAP	\$50 million	\$50 million	\$50 million

Conservation Reserve Enhancement Program (CREP): To provide grants for landowners to complete projects that restore and preserve salmon habitat and purchase conservation easements, as well as construct and preserve habitat buffers. *(State Conservation Commission — Capital Budget) (Action Agenda A.3.1, A.3.1.1 & C.3.2.1)*

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
CAP	\$5.001 million	\$5.001 million	\$5.001 million

Implementing Better Brakes Law: To implement RCW 70.285, which bans certain brake friction materials released every year from the automotive brake pads, carried by stormwater into Puget Sound, and other Washington waters where they are toxic to salmon and many other aquatic organisms. Funding supports publicizing and enforcing the ban, certifying manufacturer compliance, tracking friction materials, and assessing safer alternatives. *(Department of Ecology—Operating Budget) (Action Agenda C.1.1)*

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
OP	\$188,000	\$188,000	\$188,000

Aquatic Lands Environmental Management: To fund adaptive management for Puget Sound recovery, restoration of state-owned aquatic lands, removal of creosote pilings, and investigations of outfalls on aquatic lands. *(Department of Natural Resources—Operating Budget) (Action Agenda A.1.3, B.2.2.3, B.2.2.4 & B.3.1.2)*

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
OP	\$4.42 million	\$4.42 million	\$4.42 million

Aquatic Lands Enhancement Account (ALEA): To provide grants for acquisition and habitat enhancement projects within or adjacent to state-owned aquatic lands throughout Washington state. A portion of these funds will be invested in Puget Sound-area projects to re-establish the natural, self-sustaining ecological functions of the waterfront. *(Recreation & Conservation Office — Capital Budget) (Action Agenda A.2.1, A.2.1.3, A.5.4, B.2.1, B.2.2 & B.4.2)*

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
CAP	\$5.3 million	\$6 million	\$6 million

Family Forest Fish Passage Program (FFPPP): Funding for small-forest landowners to repair or remove fish passage barriers. *(Recreation & Conservation Office—Capital Budget) (Action Agenda A.5.4, B.5.2, C.4.2.2. & C.4.2.3)*

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
CAP	\$2 million	\$2 million	\$2 million

Ocean Acidification: Funding to implement the 2012 recommendations from Gov. Gregoire’s Blue Ribbon Panel on Ocean Acidification. (*Department of Ecology, University of Washington, Department of Natural Resources—Operating Budget*) (Action Agenda C.7.5.4)

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
OP	\$3.31 million	\$3.19 million	Not Funded

Steelhead Recovery Planning: To identify the major threats that are reducing juvenile steelhead marine survival rates and \$1.2 million to develop steelhead recovery plans for the 12 local watersheds that lack recovery plans. (*Puget Sound Partnership—Operating Budget*) (Action Agenda A.3.1.1, A.3.2, C.3.1)

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
OP	\$788,000	\$778,000	\$788,000

Voluntary Stewardship: To fund pilot programs in Thurston and Chelan counties to resolve agricultural impacts to critical areas. (*State Conservation Commission—Operating Budget*) (Action Agenda C.3.1.3)

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
OP	\$1.546 million	\$1.546 million	\$1.546 million

Forest Riparian Easement Program (FREPP): To complete purchases of 50-year conservation easements from small-forest landowners along riparian areas. (*Department of Natural Resources—Capital Budget*)

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
CAP	\$3 million	\$3 million	\$2 million

Adaptive Management and Grant Administration: To develop science-based revisions to the Puget Sound Action Agenda through the adaptive management process. (*Puget Sound Partnership—Operating Budget*)

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
OP	\$450,000	\$450,000	\$450,000

Marine Spatial Planning: for mapping, ecological assessment, data tools, and stakeholder engagement. *(Department of Natural Resources—Operating Budget)*

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
OP	\$2 million	\$-500,000	\$-4.2 million

PUGET SOUND INVESTMENTS PROPOSED BY THE LEGISLATURE, NOT INCLUDED IN GOV. INSLEE’S BUDGET

Livestock manure management for the Conservation Commission: \$1 million of the state toxics control account is divided between the south Yakima conservation district and the Whatcom conservation district (\$500,000 each) for the purposes of meeting the dairy nutrient management program requirements to protect drinking water aquifers from nitrate contamination. Funding is provided for technical assistance and education for soil sampling and dairy nutrient management plan reporting requirements; assessment of physical integrity manure lagoons; and to secure federal funding for developing conservation practices to protect groundwater from nitrate pollution. *(State Conservation Commission—Operating Budget)*

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
OP		\$1 million	

Stormwater improvements: For the Department of Ecology to work with local governments to create and fund a prioritized list of stormwater improvement projects. Funding is appropriated from the environmental legacy stewardship account or from the state toxic control account if Senate Bill 5296 is not enacted. *(Department of Ecology—Capital Budget)*

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
CAP		\$75 million	\$100 million

Derelict vessels: To expedite the removal of more than 230 older, larger, more expensive ships that threaten the health of Puget Sound. *(Department of Natural Resources—Capital Budget)*

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
CAP		\$10 million	

Coordinated Floodplains Investment Initiative: To better coordinate state and federal floodplain management programs, delivering multiple benefits for the environment and Puget Sound communities.

	GOV BUDGET	SENATE BUDGET	HOUSE BUDGET
CAP			\$33 million

LEGISLATION PERTINENT TO PUGET SOUND

SHELLFISH

Coastal Marine Advisory Council: Sen. Hatfield's legislation, [Senate Bill 5603](#), establishing a Washington coastal marine advisory council and a Washington marine resources advisory council, remains in the Rules Committee. The proposed coastal council would serve as a forum on coastal issues such as fisheries, shellfish aquaculture and ocean energy. The proposed marine council would advance the recommendations from the ocean acidification report. The Partnership strongly supports the Blue Ribbon Panel's recommendations and the \$3.3 million proposed by Gov. Inslee.

HABITAT

Landowner liability: Rep. Stanford's legislation to limit landowner liability for habitat projects, [House Bill 1194](#), and remains in the Rules Committee. Because the bill was amended, it will have to go back to the House for concurrence. The amendment requires large woody debris used for habitat restoration projects to be identified and tagged, consistent with guidelines by the Department of Fish & Wildlife. The Partnership continues to support this legislation and thanks everyone working together to keep this bill moving forward.

Conservation easements: Rep. Sawyer's legislation allowing tribes to hold conservation easements, [House Bill 1277](#), remains in the Rules Committee. Protection of habitat is a top priority in the Puget Sound Action Agenda and is a major focus for our tribal partners.

Aquatic invasive species: Sen. Honeyford's aquatic invasive species legislation, [Substitute Senate Bill 5702](#), remains in the House Rules committee. The bill specifies that transporting a recreational or commercial watercraft into the state without meeting valid documentation requirements is an aquatic invasive species infraction. It also repeals the Aquatic Nuisance Species Committee. Many organizations support the bill, including the Partnership, Invasive Species Council, Ports Association and Northwest Marine Trade Association.

TOXICS

Derelict vessels: Rep. Hansen's [Substitute House Bill 1245](#) to prevent and respond to derelict vessels remains on the Senate floor calendar. The latest version includes study language for public and private marinas to review policies to identify and deconstruct derelict vessels.

Model Toxics Control Account (MTCA): The Senate budget proposal includes the new framework reflected in Sen. Ericksen's MTCA bill, [Senate Bill 5296](#), and allocates millions of MTCA dollars through the Environmental Legacy Stewardship Account. The bill advanced out of Ways and Means committee to Rules, where it could be pulled to the Senate floor for a vote. Now, the focus is on the long-term impacts

of the latest version of the Senate Bill 5296, which would establish a new budget framework for spending toxics funding. The Partnership continues to have concerns with the bill. The most important need is for a comprehensive, interim review of MTCA investments to ensure the highest priorities and most cost-effective strategies are funded to protect and clean up Puget Sound.

UPCOMING HEARINGS RELATED TO PUGET SOUND

No hearings scheduled.